DOCUMENT RESUME

ED 293 392 HE 021 058

TITLE	The Student Guide: Five Federal Financial Aid Programs, '87-'88.
INSTITUTION	Department of Education, Washington, DC.
PUB DATE	87
NOTE	65p.
PUB TYPE	Guides - Non-Classroom Use (055) -- Reference Materials - Directories/Catalogs (132)
EDRS PRICE	MF01/PC03 Plus Postage.
DESCRIPTORS	College Applicants; *Federal Aid; *Federal Programs; Financial Aid Applicants; *Grants; Higher Education; Loan Repayment; Postsecondary Education; Scholarships; State Federal Aid; *Student Financial Aid; *Student Loan Programs; Work Study Programs
IDENTIFIERS	Guaranteed Student Loan Program; Pell Grant Program; Perkins Loans; Supplemental Educational Opportunity Grants

ABSTRACT

Federal student aid programs for postsecondary education, and the procedures for applying for them, are described. The following topics are addressed: (1) finding out about student financial aid (sources other than this guide); (2) U. S. Department of Education student aid--general information (eligibility; financial need; forms, records and reports needed for applying; verification; transfer students; deadlines; addresses; telephone numbers; student rights and responsibilities; choosing a school carefully); (3) five U. S. Department of Education programs (Pell Grants; Supplemental Educational Opportunity Grants; college work-study; Perkins Loans; Guaranteed Student Loans, including Parent Loans for Undergraduate Students (PLUS) loans and Supplemental Loans for Students; and consolidating loans); (4) state educational agencies (sources of information on Guaranteed Student Loans, PLUS loans and Supplementary Loans for Students, and state student aid); and (5) addresses and phone numbers for U. S. Department of Education regional offices. A glossary is provided. (KM)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

FD293392

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

HE 021 058

The Student Guide

Five Federal Financial Aid Programs '87-'88

UNITED STATES
DEPARTMENT OF EDUCATION
THE SECRETARY

If you are planning to attend a college, university, or other postsecondary school, you are among the more than 12 million citizens of the United States continuing their education beyond high school.

Our nation enrolls twice as many of its people in post-secondary study as the Soviet Union, ten times as many as France, and fifteen times the total in the United Kingdom.

President Reagan is committed to providing assistance for those who need help in paying their higher education costs. This coming year, our nation will spend an estimated $261 billion for education.

More than $11.9 billion of this sizable national commitment to education will be spent on Federal financial assistance targeted to those who need help to afford the cost of higher education. Many aid programs outlined in this publication are grants—outright assistance provided by the American people through their taxes for the pursuit of higher education. But other programs are not "free" forms of aid. They are loans, also made possible through the help of the American taxpayer, which entail an obligation to repay when a student leaves school.

When you apply for a guaranteed loan to attend a college, university, or other postsecondary institution, you make a commitment. Honoring that commitment will strengthen these programs, which will allow others to have the same type of assistance that was available to you for the pursuit of higher education. You also uphold the faith of working Americans who make these programs possible.

Financial assistance opens the door to higher education for many who could not otherwise afford its cost. Do your share to support these programs by repaying your loans after graduation. You owe it to those who will follow.

Discrimination Prohibited. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance, or be so treated on the basis of sex under most education programs or activities receiving Federal assistance.

Table of Contents

	Page
Finding Out About Student Financial Aid	1
U.S. Department of Education Student Aid—General Information	3
Eligibility	4
Financial Need	5
Applying	5
Forms	5
Records Needed	7
Student Aid Report (SAR)	8
Verification	9
Transfer Students	10
Deadlines	11
Addresses	12
Telephone Numbers	12
Student Rights and Responsibilities	13
Choosing a School Carefully	16
Five U.S. Department of Education Programs	19
Pell Grants	19
Supplemental Educational Opportunity Grants	22
College Work-Study	24
Perkins Loans	26
Guaranteed Student Loans	32
PLUS Loans and Supplemental Loans for Students (SLS)	38
Consolidating Your Loans	41
State Educational Agencies (Sources of Information on Guaranteed Student Loans, PLUS/SLS Loans, and State Student Aid)	42
U.S. Department of Education Regional Offices	52
Glossary	54

Material contained in this publication is in the public domain and may be reproduced, fully or partially, without permission of the Federal Government. Source credit is requested though not required. Permission is required only to reproduce the copyright material on page 34.

Finding Out About Student Aid

This *Guide* tells you about Federal student aid programs and how to apply for them. But education or training after high school costs more than ever, and you need to learn about as many sources of aid as you can. The steps below will help.

- Contact the financial aid administrator at each school you are interested in. He or she can tell you what aid programs are available there, and about how much the total cost of attending will be. If you're in high school, also talk to your guidance counselor. He or she can tell you about financial aid in general and where to look for help.
- Your public library has information on State and private sources of aid. Your financial need is usually considered, but other factors may also be taken into account.
- Many companies, as well as labor unions, have programs to help pay the cost of postsecondary education for employees or members (or for their children).
- Check foundations, religious organizations, fraternities or sororities, and town or city clubs. Include community organizations and civil groups such as the American Legion, YMCA, 4-H Clubs, Kiwanis, Jaycees, Chamber of Commerce, and the Girl or Boy Scouts.
- National Merit Scholarships and scholarships from the National Honor Society are available to students with high grades who qualify.
- Don't overlook any organizations connected with your field of interest (for example, the American Medical Association or the American

Bar Association). These organizations are listed in the U.S. Department of Labor's *Occupational Outlook Handbook* and can also be found in various directories of associations available at your public library.

- If you are a veteran, veterans benefits may be available. Check with your local Veterans' Administration office.
- Contact your home State's student assistance agency for information about State aid—including aid from a program jointly funded by individual States and the U.S. Department of Education. Each State has its own name for this program, as well as its own award levels, eligibility criteria, and application procedures. (At the Federal level, this program is called the State Student Incentive Grant Program.) For the address and telephone number of your State agency, see the list of agencies beginning on page 42.

U.S. Department of Education Student Aid— General Information

The U.S. Department of Education offers five major student financial aid programs:

Pell Grants

Campus-Based Programs*

- **Supplemental Educational Opportunity Grants (SEOG)**
- **College Work-Study (CWS)**
- **Perkins Loans (formerly National Direct Student Loans [NDSL])**

Guaranteed Student Loans (GSL) and PLUS Loans/Supplemental Loans for Students (SLS)

Grants are awards that you don't have to pay back.

Work-Study gives you the chance to work and earn money to help pay for school.

Loans are borrowed money that you must repay with interest.

Undergraduates may receive aid from all three types of programs. Graduate students may apply

*This *Guide* mentions several terms or concepts that you will need to be familiar with. Wherever these terms occur in the text, they will have an asterisk (*) next to them. This means that the term will be defined in the Glossary on pages 54 to 60 of this booklet.

for any program except Pell Grants and Supplemental Educational Opportunity Grants.

Not all schools take part in all the programs. To find out which ones are available at a school, contact the school's financial aid office.

Eligibility

In general, you are eligible for Federal aid if you meet the following requirements:

You must be enrolled at least **half-time*** to receive aid from the Pell Grant and GSL/PLUS/SLS programs. **Half-time*** enrollment is not required for the **campus-based*** student aid programs.

You're enrolled as a regular student in an **eligible program*** at one of the more than 8,000 colleges, universities, vocational schools, technical schools, or hospital schools of nursing that take part in U.S. Department of Education financial aid programs.

You're a U.S. **citizen*** or an **eligible noncitizen.***

You show that you have financial need. See page 5 for a discussion of need.

You're making **satisfactory progress*** in your course of study.

You're not in **default*** on a Perkins Loan (or National Direct Student Loan [NDSL]), Guaranteed Student Loan, or PLUS/SLS loan.

You don't owe a refund on a Pell Grant or a Supplemental Educational Opportunity Grant.

You must sign a **statement of updated information*** certifying that specific items on your Student Aid Report (SAR) are correct. (This Report is described on pages 8 and 9.)

You must also sign a **statement of educational purpose*** saying that you will use your Federal student aid funds only for expenses related to attending your school.

You must sign a **statement of registration status*** indicating you have registered with the Selective Service, if you're required to do so. The U.S. Department of Education will verify students' registration status with the Selective

---

*See Glossary, pages 54 to 60.

Service. The names of any students who claimed to have registered but have not will be referred to the U.S. Department of Justice.

Financial Need

Most Federal student aid is awarded on the basis of financial need. Need is the difference between your **cost of education*** (educational expenses such as tuition, fees, room, board, books, supplies, and other related expenses) and an amount you and your family are expected to contribute toward your education. A standard formula used for all applicants determines this amount, which is called the **Expected Family Contribution (EFC)*** or **Family Contribution (FC).*** The information you report on your aid application (see "Applying" below) is used in calculating your contribution. Factors such as income, **assets,*** and benefits (for example, unemployment or Social Security) are all considered in this calculation.

The amount left over after subtracting the expected contribution from your **cost of education*** is considered your financial need.

If you're a handicapped student, your educational expenses may be higher—and your need therefore greater—because of costs associated with the handicap. To make sure these extra expenses are recognized, the financial aid administrator at your school will work with a representative from your State vocational rehabilitation agency. They will coordinate resources so that your Department of Education and vocational rehabilitation aid will go as far as possible toward meeting your expenses.

Applying

Forms

You can use any of the forms listed below to apply for Federal aid. However, for the GSL or

*See Glossary, pages 54 to 60.

PLUS/SLS programs, there are some additional steps you will need to take to apply. (See pages 32–41 for information on these programs.)

In order for you to be considered for aid from non-Federal as well as Federal sources, your school may specify which of these forms you should complete. The forms are—

- The U.S. Department of Education's "Application for Federal Student Aid" (AFSA)
- The College Scholarship Service's "Financial Aid Form" (FAF)
- The American College Testing Program's "Family Financial Statement" (FFS)
- The Pennsylvania Higher Education Assistance Agency's (PHEAA's) "Application for Pennsylvania State Grant and Federal Student Aid"
- The "Student Aid Application for California" (SAAC)
- The Illinois State Scholarship Commission's "Application for Federal and State Student Aid (AFSSA)"

If you're filling out one of the non-Federal forms and you want to be considered for Federal student aid, you must check a box to have your information forwarded to the Federal processing center. The box is near the end of the form.

If you are filling out the "Application for Federal Student Aid" (AFSA), you'll find two versions of the form in the AFSA booklet—one blue and one gray. The correct one for you to fill out depends on your answers to the questions in the front of the booklet. Those questions determine whether you're a **dependent student,*** and must complete the ***blue*** form, or an **independent student,*** and must complete the ***gray*** form. Make sure you answer the questions carefully. You may be asked later to prove that your answers are correct (see "Verification," page 9).

When you apply for financial aid, be sure to ***read the instructions*** as you fill out your application. Most mistakes are made because students do not read instructions. In addition to carefully answering the questions about your dependency

*See Glossary, pages 54 to 60.

status, pay special attention to any questions on income. Student status and income are the areas where most mistakes are made.

You should apply as soon as possible after January 1, 1987. It may take 4 to 6 weeks for your application to be processed, and you may have to confirm or correct information and return it for reprocessing (see "Student Aid Report," page 8). Reprocessing takes another 2 to 3 weeks. Also, you may have to prove the information you reported (see "Verification," page 9). You need to complete each step in the process promptly, so that you don't miss any deadlines (see "Deadlines," page 11). Missing a deadline means you will lose out on student aid.

Note that aid from Federal programs does not automatically continue from one year to the next. You must reapply every year.

Records Needed

When you fill out an application, you should have certain records on hand. The 1986 U.S. Income Tax Return is the most important one, since you must use specific numbers from specific lines on the tax return to fill out your application. You'll need to refer to your tax return, your parents' return (if you apply as a **dependent student),*** and your spouse's return (if you're married and your spouse filed a separate return). Referring to the tax form will make it easier for you to complete your application and get it through the processing system.

You may apply even if the tax return is not yet completed. However, this means you'll have to estimate the financial information on your application, and you may have to prove the accuracy of your estimate before you are awarded aid. Also, you'll have to change any figures that prove to be incorrect.

Other useful records to have on hand are W-2 forms and other records of income received in 1986, current bank statements and mortgage information, and records of benefits received from

---

*See Glossary, pages 54 to 60.

the Social Security Administration, Veterans' Administration, and other agencies.

You should save all records and all other materials used to prepare your application.

Student Aid Report (SAR)

If you fill out the Federal application (the AFSA), or if you apply for Federal aid using any of the other forms listed on page 6, you'll receive a Student Aid Report (SAR) 4 to 6 weeks after you send in your application. The SAR contains the information you gave on your application. Your eligibility for a Pell Grant is based on that information. Your SAR will tell you whether you're eligible.

If you're eligible, you'll receive a ***three***-part SAR. Part 1 (the Information Summary) will give you instructions to review the information on your SAR to make sure it is correct and will give you other information about the results of your application. Part 2 (the Information Review Form) is the part you must use to change any information on your SAR that is incorrect. Look at this part carefully. Part 3 (the Pell Grant Payment Document) is for your school's use.

If all the information on your SAR is correct, send a photocopy of both sides of ***Part 1*** (the Information Summary) to the financial aid office at each school you're interested in. When you decide which school you'll attend, you must submit ***all three parts*** of your SAR to that school's financial aid administrator. He or she will use your SAR to determine the amount of your Pell Grant.

If you need to change any information on your SAR, make the changes on ***Part 2*** (the Information Review Form), sign the Certification statement on the back, and return ***Part 2*** for reprocessing. You'll receive a new SAR in 2 to 3 weeks.

Even if your SAR says you're not eligible for a Pell Grant, contact your financial aid administrator. He or she may use the information on your SAR to determine whether you're eligible for aid from the other Federal student aid programs.

If it appears that you didn't correctly or completely fill out your application for financial aid, the Department of Education won't be able to

determine your eligibility. If this happens, you'll usually receive a ***two***-part SAR. Part 1 will contain comments asking you to confirm, correct, or add information on Part 2 (in this case, called the Information ***Request*** Form). After you've done this, sign the Certification statement on the back of Part 2 and return it for reprocessing. You'll get your new SAR in 2 to 3 weeks.

Your financial aid administrator can help you make any changes and can answer any questions you have.

Verification

Either the Department of Education or your school may select you for a process called "verification." This means you will have to prove that what you reported on your application is correct. (Many schools require ***all*** financial aid applicants to verify the information they reported on their aid applications.)

If you're selected, you may be asked to verify information such as—

- Income
- Federal income tax paid
- Your household size
- Your status as an **independent student,*** if you filed as one
- The number of family members enrolled in postsecondary education at least **half-time***
- Certain untaxed income and benefits received

As part of the verification process, you'll have to give your financial aid administrator certain documents or other information. One of those documents will be a verification worksheet. If you're selected for verification at the time your application is processed, you'll receive a worksheet from the application processor. The worksheet asks for information about the verification items listed above. Fill out your answers to the worksheet carefully and submit it to your school along with your SAR. ***Complete your worksheet as soon as possible.*** The sooner you

---

*See Glossary, pages 54 to 60.

verify the information requested, the sooner you'll be able to receive financial aid, if you're eligible.

If you're selected for verification by your school, you'll receive a worksheet later on from your school.

In addition to a verification worksheet, you'll have to give your financial aid administrator a copy of your signed 1986 U.S. Income Tax Return and your spouse's return (if you're married and your spouse filed a separate return). You must also provide a copy of your ***parents'*** signed return, if you filed as a **dependent student,*** ***or*** if you filed as an **independent student*** but are ***under*** 24.

If you don't keep copies of the appropriate returns, you'll have to contact the IRS for copies. It will take over a month to receive them, and your student aid will be delayed as a result.

You may have to provide copies of appropriate W-2 forms as well. If no Federal tax form was or will be filed, you (and/or your parents or spouse) must sign a statement to that effect and must list the sources and amounts of income received.

You may also have to provide statements from agencies such as the Social Security Administration, verifying benefits received.

If you don't provide proof, you won't receive aid from the Department of Education, and you may not receive aid from other sources.

If you received Federal financial aid as a result of reporting incorrect information, you will have to repay any portion of aid you should not have received. Also, a person who intentionally makes false statements on a Federal aid application is violating the law and is subject to fine or imprisonment or both.

If you're selected for verification, there are additional deadlines that will apply to you, beyond those given on page 11. Your financial aid administrator will tell you what they are.

Transfer Students

If you transfer from one school to another, your financial aid does ***not*** automatically go with you.

---

*See Glossary, pages 54 to 60.

To receive aid at your new school, check with that school's financial aid administrator to find out what programs are available and what steps you must take. If you've received Federal student aid and decide to transfer, you must have your old school(s) send a **financial aid transcript*** to your new school; otherwise, you won't receive aid from Department of Education programs.

If you have a Pell Grant, you must get a duplicate of your Student Aid Report (see page 8) to submit to your new school's financial aid administrator. To receive a duplicate SAR, write to the address on page 12.

If you have a Guaranteed Student Loan or PLUS/SLS loan, you'll have to reapply. Contact your lender.

If you have a Perkins Loan (or National Direct Student Loan [NDSL]), a Supplemental Educational Opportunity Grant, or a College Work-Study job, check with the financial aid administrator at your new school to find out if funds from these programs are available.

Deadlines

May 2, 1988. Your student aid application or your Special Condition Application (see page 21 for information on this form) must be ***received*** by the appropriate application processor by this date. There are ***no exceptions*** to this deadline. The application you fill out will contain the address of the appropriate processor.

You should apply as soon after January 1, 1987 as you can. Schools often set ***earlier*** deadlines students must meet in order to receive certain types of funds, including those from the **campus-based programs.***

June 30, 1988, or your last day of enrollment in 1987–88, whichever comes first. This is the deadline for submitting your SAR to your school's financial aid office.

Be sure you know your last day of enrollment in 1987–88—it may be earlier than June 30. The earlier you can submit your SAR, the better.

---

*See Glossary, pages 54 to 60.

Addresses

Send in your application to the address given in your application booklet.

To find out if your application has been processed, write to—

Federal Student Aid Programs
P.O. Box 4167
Iowa City, Iowa 52244

(Remember, it takes 4 to 6 weeks for processing.)

After you receive your Student Aid Report (SAR), if you have to make any corrections or additions, make them on Part 2 of the SAR, sign the Certification on the back, and send it to—

Federal Student Aid Programs
P.O. Box 4103
Iowa City, Iowa 52244

To request a copy of your SAR or correct your address, write to—

Federal Student Aid Programs
P.O. Box 4164
Iowa City, Iowa 52244

Whether you're checking on your application or requesting a copy of your SAR, make sure you include in your letter your full name, permanent address, Social Security Number, date of birth, and signature.

Telephone Numbers

There may be times when you have questions about your application, your SAR, or other Federal student aid matters, and you need an answer right away. If so, you may call one of the numbers on the next page, or call a Regional Office of the Department of Education. Regional Office numbers and addresses are listed on pages 52 and 53.

For information on any of the Federal financial aid programs mentioned in this booklet, call—

Federal Student Aid Information Center—(301) 984-4070

The Information Center, located in Rockville, Maryland, provides the following services:

- Help in filing an application or correcting a SAR
- Providing duplicate SAR's
- Checking the status of an application
- Checking on whether a school takes part in Federal student aid programs
- Explaining eligibility requirements
- Explaining the process for determining financial aid awards
- Solving payment problems
- Explaining the verification process
- Explaining general program requirements
- Mailing publications

You may call between the hours of 9:00 a.m. and 5:30 p.m. (Eastern Standard Time), Monday through Friday.

For information on Pell Grant processing, call either the Information Center or—

Application Processing Center—(319) 337-3738

The Processing Center, located in Iowa City, Iowa, can tell you whether your application has been processed and can also help you correct your SAR. You may call between 9:00 a.m. and 7:00 p.m. (Eastern Standard Time), Monday through Friday.

Please note that you will have to pay for calls to the Information Center, the Processing Center, or a Department of Education Regional Office. These offices cannot accept collect calls.

Student Rights and Responsibilities

Education after high school costs you time, money, and effort. It's a big investment, and you should carefully evaluate the school you're considering. To help you make a good choice, you should have information on a school's academic programs, facilities, **cost of education,*** refund policy, and financial aid programs.

---

*See Glossary, pages 54 to 60.

Student Rights

You have the right to ask a school—

- The names of its accrediting and licensing organizations.
- About its programs; its instructional, laboratory, and other physical facilities; and its faculty.
- What the cost of attending is, and what its policy is on refunds to students who drop out.
- What financial assistance is available, including information on all Federal, State, local, private, and institutional financial aid programs.
- What the procedures and deadlines are for submitting applications for each available financial aid program.
- How it selects financial aid recipients.
- How it determines your financial need. This process includes how costs for tuition and fees, room and board, travel, books and supplies, and personal and miscellaneous expenses are considered in your **cost of education.*** It also includes the resources considered in calculating your need (such as parental contribution, other financial aid, **assets,*** etc.).
- How much of your financial need, as determined by the school, has been met.
- How and when you'll be paid.
- To explain each type and amount of assistance in your **financial aid package.***
- What the interest rate is on any student loan you have, the total amount you must repay, the length of time you have to repay, when you must start repaying, and what cancellation or deferment (postponement) provisions apply.
- If you're offered a College Work-Study job—what kind of job it is, what hours you must work, what your duties will be, what the rate of pay will be, and how and when you'll be paid.
- To reconsider your aid package, if you believe a mistake has been made, or if your enrollment or financial circumstances have changed.

---

*See Glossary, pages 54 to 60.

- How the school determines whether you're making **satisfactory progress,*** and what happens if you're not.
- What special facilities and services are available to the handicapped.

Student Responsibilities

It is your responsibility to—

- Review and consider all information about a school's program before you enroll.
- Pay special attention to your application for student financial aid, complete it accurately, and submit it on time to the right place. Errors can delay or prevent your receiving aid.
- Know and comply with all deadlines for applying or reapplying for aid.
- Provide all documentation, corrections, and/or new information requested by either the financial aid office or the agency to which you submitted your application.
- Notify your school of any information that has changed since you applied.
- Read, understand, and keep copies of all forms you're asked to sign.
- Repay any student loans you have. When you sign a **promissory note,*** you're agreeing to repay your loan.
- Attend an **exit interview*** at your school, if you have a Perkins Loan (or National Direct Student Loan [NDSL]), Guaranteed Student Loan, or PLUS/SLS loan.
- Notify your school of a change in your name, address, or attendance status (**half-time,*** three-quarter-time, or full-time). If you have a loan, you must also notify your lender of these changes.
- Satisfactorily perform the work agreed upon in a College Work-Study job.
- Understand your school's refund policy.

---

*See Glossary, pages 54 to 60.

Choosing A School Carefully

If you've skipped over the "Student Rights" section, go back and look at it. The steps listed there not only tell you some things you have a right to find out about a school you're considering, but what you ***ought*** to find out. You are a consumer—only you're not buying a car or a refrigerator, you're buying an education. You ought to know what you'll be getting for your money. When you enroll in school, you expect to learn certain subjects, or maybe certain skills that will help you get a specific job. Will you? A lot depends on you.

There are a few things to watch out for no matter what kind of school you're interested in attending.

• ***Check the school's accreditation.*** But don't assume if a school is accredited that's all you need to know. Accreditation means a private educational agency or association has evaluated a school and found it meets certain ***minimum*** requirements that agency has set. And don't think that because a school is accredited or because it takes part in the U.S. Department of Education's student financial aid programs that the Department has "approved" the school.

The U.S. Department of Education uses specific legislative and regulatory criteria to determine whether a school is eligible to take part in its student aid programs. However, this eligibility status does ***not*** mean the Federal Government has approved the school's curriculum, policies, or administrative practices, ***except*** as they relate to the school's operation of Federal student aid programs. Nor does it mean that the school is endorsed by the Federal Government, or that the U.S. Department of Education has evaluated the quality or suitability of the education offered.

• ***Evaluate a school's quality for yourself.*** A school can be very good but still not meet your individual needs. Visit as many of the schools you are considering as you can. Ask to sit in on classes. Talk to recent graduates about the school's courses, its professors or instructors, even its

social life and living facilities, if applicable.

Talk to the instructors yourself. If a school advertises a well-known teacher, how much time does he or she spend in the classroom as opposed to doing research, for example? Do the instructors have degrees or training from legitimate and accredited or licensed institutions? Do they have experience in their subject area?

Does the school offer a catalog or other written document showing what courses are offered and when? How many credits do you need to graduate or complete the course work? Can those credits be transferred to another school? Ask how many students finish. A high dropout rate may mean students weren't satisfied with the education they were receiving.

What is the size of most classes? Will you have enough contact with your instructors? If you're attending a school that offers training using equipment, make sure the classes are not so large you never get to use it. If a school advertises a certain kind of equipment, make sure it actually has that equipment. Is it modern and what you'll actually be using in your field later on?

• ***Find out about job placement rates.*** Many students are concerned about being able to get a job in their chosen field after they leave school. What is the school's job placement rate? Check with former graduates or prospective employers, not just the school. What is the placement rate of your chosen profession in general? If the school advertises its job placement rates, it must also publish the most recent available data about employment statistics, graduation statistics, and any other information necessary to back up its claims. This information must be available at or before the time you apply for admission to the school.

Does the school provide instruction on topics necessary for State or professional certification of graduates? If a school says it will help you find a job, what does this include? Will the school contact potential employers and set up interviews? Will you receive counseling on how to obtain and keep a job?

• ***Ask for specifics on the school's refund policy.*** What happens if you have to drop out because you get sick, for example? Can you get a partial refund, depending on how much of the course work you've completed? Watch out for schools that do not state, ***in writing,*** that they will refund your money under certain conditions. If you sign a contract, does it contain a clause allowing you to cancel it within a short period of time, if you change your mind about attending the school?

• ***Check several sources to find out the answers to questions you may have about a school.*** Talk to high school counselors, local employers, and the State Department of Education that has jurisdiction over the school. See if any complaints have been filed about the school with the local Better Business Bureau, Chamber of Commerce, or consumer protection division of the State Attorney General's office. And contact these organizations if ***you*** have a complaint about a school.

You're paying for an education. Make sure you get it.

Five U.S. Department of Education Programs

Pell Grants

►Grant—no repayment
►For undergraduates only
►Must be enrolled at least **half-time***
►Eligibility determined by standard formula
►Usually limited to 5 full years of study

What is a Pell Grant?

Pell Grants are awards to help undergraduates pay for their education after high school. For many students, these grants provide a "foundation" of financial aid, to which aid from other Federal and non-Federal sources may be added. Unlike loans, grants don't have to be paid back.

If you receive a Pell Grant for the ***first time*** in the 1987–88 award year (July 1, 1987–June 30, 1988), your Pell Grant eligibility will usually be limited to 5 full years of undergraduate study, not counting any remedial course work you may take. (You can receive a Pell Grant for up to 1 full year of remedial courses.)

You may receive a Pell Grant for a sixth full year of undergraduate study if you're enrolled in a program that requires more than four years to complete a bachelor's degree. Your school may waive these limits if you become ill or injured, or if a relative of yours has died. Your school may also waive the limits for individual hardship cases. Check with your school.

If you've received a Pell Grant in a previous award year, these eligibility limits don't apply to you.

---

*See Glossary, pages 54 to 60.

How do I qualify?

You must be attending school at least **half-time.***

To determine if you're eligible, the Department of Education uses a standard formula, revised and approved every year by Congress, to evaluate the information you report when you apply for a Pell Grant. The formula produces a Student Aid Index number. Your Student Aid Report (see page 8) contains this number and will tell you whether you're eligible for a Pell Grant.

The formula used to determine your Student Aid Index is too long to be included here. However, you can get a booklet that describes the formula in detail by writing to Formula Book, Department J-8, Pueblo, Colorado 81009-0015.

Using a formula guarantees equal treatment for all applicants, but it also means that, except for the few specific cases listed on page 21, there are no exceptions made for unique financial circumstances of students or their families.

How much can I get?

Awards for the 1987-88 academic year (July 1, 1987 to June 30, 1988) will depend on program funding. The maximum award for the 1986-87 academic year was $2,100. How much you actually get will depend on your Student Aid Index number, the **cost of education*** at your school, whether you're a full-time or part-time student, and how long you'll be enrolled in the 1987-88 academic year.

When should I apply?

The sooner, the better. Your 1987-88 application must be ***received*** by the appropriate application processor ***no later than*** May 2, 1988.

How will I be paid?

You must submit all three parts of your Student

---

*See Glossary, pages 54 to 60.

Aid Report (SAR) to your school. Your school will then credit your award to your account, pay you directly, or use a combination of these methods. The school must tell you in writing how and when you'll be paid and how much your award will be. For the school's records, you should acknowledge in writing the school's notification. Schools must pay at least once per term (semester, trimester, or quarter). Schools that do not use formally defined, traditional terms must pay at least twice per academic year.

The aid application asks for 1986 income information, but my financial situation has changed for the worse since then. Is there any way I can show this change?

For 1987-88, Pell Grant eligibility usually will be calculated using 1986 income information (see "Records Needed," page 7). In certain cases, however, you can file a Special Condition Application. This application lets you estimate your 1987 income information, and your eligibility will be calculated using that estimate instead of your 1986 income.

In general, you can file a Special Condition Application if your family financial situation has recently changed for the worse because of—

- Death
- Separation or divorce
- Loss of a full-time job
- Loss of nontaxable income or benefits such as Social Security, child support, Aid to Families with Dependent Children (AFDC or ADC), welfare, unemployment benefits, etc.

You can get a Special Condition Application from a high school counselor, from a financial aid office, or by writing to Special Condition Application, Department J-8, Pueblo, Colorado 81009-0015.

Remember: The Special Condition Application gives specific details about the circumstances that allow you to fill it out. Only

If one of them applies to you can you file this form. These circumstances differ slightly depending on whether you're a **dependent*** or **independent student.***

If I submit my Student Aid Report to the financial aid office late in the school year, can I still be paid a Pell Grant?

Yes. If you submit your SAR before the deadline noted on page 11, you can be paid for all periods of eligible attendance at the school where you're enrolled. But you should submit your SAR as soon as possible, because your financial aid administrator may use it in considering you for other forms of aid, which may have earlier deadlines you must meet.

I'm going to be taking courses from two schools at the same time. Can I get a Pell Grant from each school?

No. Usually, the school that grants your degree is the school that will pay you. If you're enrolled in degree programs at two different schools, check with the financial aid administrator at each one to find out how you will be paid.

Supplemental Educational Opportunity Grants

►Grant—no repayment
►For undergraduates only
►**Campus-based program***
►Amount of award based on need and availability of funds

What is an SEOG?

A Supplemental Educational Opportunity Grant (SEOG) is an award to help you pay for your education after high school. It's for undergraduate

*See Glossary, pages 54 to 60.

students having the greatest financial need (with priority given to Pell Grant recipients), and it doesn't have to be paid back.

How much can I get?

You can get up to $4,000 a year, depending on your need (see page 5), the availability of SEOG funds at your school, and the amount of other aid you're receiving.

When should I apply?

Different schools set different deadlines. They are usually early in each calendar year, so apply as soon as possible. Find out what the deadlines are by checking with the financial aid administrator at your school.

How will I know if I'm going to get an SEOG?

Your school will send you a letter listing the amount and kinds of financial aid you'll get.

What's the difference between an SEOG and a Pell Grant?

The Department of Education guarantees that each participating school will receive enough money to pay the Pell Grants of its students. An SEOG is different. Each school receives a set amount of money for SEOG's, and when that money is gone, there are no more SEOG's for that year. That's why it's important to meet the school's financial aid application deadlines.

How will I be paid?

Your school will credit your SEOG to your account, pay you directly, or use a combination of these methods. If the school credits your account, it must give you a receipt. Schools must pay students at least once per term (semester, trimester, or quarter). Schools that do not use traditional terms must pay at least twice during the academic year.

I'm going to school part-time. Can I get an SEOG?

You may be able to. A school may choose to award part of its SEOG funds to part-time students—even, in some cases, to less than **half-time*** students. To find out if your school does this, contact the financial aid administrator.

College Work-Study

- ►Provides jobs to earn money for school
- ►For undergraduate and graduate students
- ►**Campus-based program***
- ►Amount of award based on need and availability of funds

What is College Work-Study?

The College Work-Study (CWS) Program provides jobs for undergraduate and graduate students who need financial aid. CWS gives you a chance to earn money to help pay your educational expenses.

How much can I make?

Your pay will be at least the current Federal minimum wage, but it may also be related to the type of work you do and its difficulty.

Your total CWS award depends on your need (see page 5), the amount of money your school has for this program, and the amount of aid you get from other programs.

When do I apply?

Each school has its own deadlines. However, they are usually early in each calendar year, so apply as soon as possible. Find out what the deadlines are by checking with the financial aid administrator at your school.

---

*See Glossary, pages 54 to 60.

How will I be paid?

If you're an undergraduate, you'll be paid by the hour. If you're a graduate student, you may be paid by the hour or you may receive a salary. No CWS student may be paid by commission or fee. Your school will pay you at least once a month.

Are College Work-Study jobs on-campus or off-campus?

Both. If you work on-campus, you'll most often work for your school. If you work off-campus, your job will usually involve work that is in the public interest, and your employer will usually be a private or public non-profit organization, or a local, State, or Federal agency. However, some schools may have agreements with private sector employers for CWS jobs.

Can I work as many hours as I want?

No. Your school sets your work schedule. In arranging a job and assigning work hours, your class schedule, your health, and your academic progress will be taken into account. Remember, the amount you earn can't exceed your total CWS award.

I'm going to school part-time. Can I get a CWS job?

You may be able to. A school may use part of its CWS funds for part-time students, and even in some cases, for less than **half-time*** students. To find out if your school does this, contact the financial aid administrator.

How will I know if I'm going to get a CWS job?

Your school will send you a letter listing the amount and kinds of financial aid you'll get, including information about CWS employment.

---

*See Glossary, pages 54 to 60.

Perkins Loans (formerly National Direct Student Loans—NDSL's)

- ►Loan—must be repaid
- ►For undergraduate and graduate students
- ►**Campus-based program***
- ►Amount of loan based on need and availability of funds

What is a Perkins Loan?

The National Direct Student Loan has been renamed the Perkins Loan as a memorial to Carl D. Perkins, the late chairman of the House Education and Labor Committee, for his support of public education and for his particular concern for a program of direct Federal loans to students. The Perkins Loan is a low-interest (5 percent) loan to help you pay for your education after high school. These loans are for both undergraduate and graduate students and are made through a school's financial aid office. Preference is given to students with exceptional need. Check with your financial aid administrator to find out if your school takes part in the Perkins Loan Program.

How much can I get?

Depending on your financial need (see page 5), the availability of Perkins Loan funds at your school, and the amount of other aid you're receiving, you may borrow up to—

- $4,500 if you're enrolled in a vocational program, or if you have completed less than 2 years of a program leading to a bachelor's degree.
- $9,000 if you're an undergraduate student who has already completed 2 years of study toward a bachelor's degree and has achieved third-year status. (This total includes any amount you borrowed under Perkins/NDSL for your first 2 years of study.)

---

*See Glossary, pages 54 to 60.

- $18,000 for graduate or professional study. (This total includes any amount you borrowed under Perkins/NDSL for your undergraduate study.)

When do I apply?

Each school sets its own deadlines. They are usually early in each calendar year, so apply as soon as possible. Find out what the deadlines are by checking with the financial aid administrator at your school.

I'm going to school part-time. Can I get a Perkins Loan?

You may be able to. A school can make Perkins Loans available to part-time students, and even in some cases, to less than **half-time*** students.

How will I be paid?

After you sign a **promissory note*** agreeing to repay the loan, your school will either pay you directly or credit your account. If the school credits your account, it must give you a receipt. You'll receive the loan in at least two payments.

How will I know if I'm going to get a Perkins Loan?

Your school will send you a letter listing the amount and kinds of financial aid you'll get and will include information about the Perkins Loan, if it is part of your **financial aid package.***

When do I pay back my Perkins Loan?

If you are a **new borrower,*** you have a "grace period" of 9 months after you graduate, leave school, or are not attending at least **half-time.*** At the end of the grace period you must begin repaying your loan. (If you are not a **new borrower,*** your grace period is 6 months.)

---

*See Glossary, pages 54 to 60.

How much will I have to pay each month?

The amount of each payment depends upon the size of your debt, but usually you must pay at least $30 per month. In special cases—for example, if you're unemployed or ill for a long period of time—your school may allow you to make payments that are less than $30 per month or may extend your repayment period.

The following chart shows typical monthly payments and total interest charges for three different 5 percent loans over a 10-year period.

Total Loan Amount	Number of Payments	Monthly Payment	Total Interest Charges	Total Repaid
$ 4,500	120	$ 47.73	$ 1,227.60	$ 5,727.60
9,000	120	95.46	2,455.20	11,455.20
18,000	120	190.92	4,910.40	22,910.40

What happens if I don't pay back my loan?

You may go into **default.*** If you do, your school can require you to repay the entire amount immediately, including all interest and penalty charges. It can sue you to collect that amount, and it can ask the Federal Government for help in collecting from you. The school or the Federal Government can also notify credit bureaus of your **default,*** and this may affect your future credit rating. Also, the Internal Revenue Service may withhold your income tax refund and apply it toward your loan.

Can I defer (postpone) repayment of my Perkins Loan?

Under certain conditions, yes. However, deferments are not automatic. To obtain a deferment, you must first apply to the school, using a deferment request form which you must get from the school.

You may defer repayment while you are attending an eligible school at least **half-time.***

You may defer repayment for up to 3 years while you are—

---

*See Glossary, pages 54 to 60.

- A member of the U.S. Armed Forces, or a member of the Commissioned Corps of the U.S. Public Health Service.
- A Peace Corps volunteer, a volunteer in ACTION programs such as VISTA, or a full-time volunteer in service comparable to that of the Peace Corps or ACTION.
- An active duty member of the National Oceanic and Atmospheric Administration Corps.†
- Temporarily totally disabled, or if you can't work because a dependent of yours is temporarily totally disabled and you must care for him or her. (In either case, your doctor must certify that the disability is temporary and total.)††

You may defer repayment for up to 2 years while serving an eligible **internship.***

If you're a mother of preschool age children, you may defer repayment for up to 12 months if you're going to work (or back to work) at a salary that is no more than $1.00 over the minimum wage.†

You may defer repayment for up to 6 months if you're on **parental leave.***†

Your repayment will be deferred for 6 months after the end of any of the periods listed above.

You may defer repayment because of extraordinary circumstances such as unemployment or prolonged illness. Unlike other deferments, however, interest on your loan will continue to accumulate.

Can my Perkins Loan be cancelled?

Your loan will be cancelled if you die or become totally and permanently disabled.

Part of your loan will be cancelled for each complete academic year you're a full-time teacher of handicapped children, or for each complete academic year you teach full-time in a designated

---

*See Glossary, pages 54 to 60.

† For **new borrowers*** only, and only for periods of enrollment beginning on or after July 1, 1987.

†† If you are not a **new borrower,*** this deferment is limited to you and your spouse. For **new borrowers*** and only for periods of enrollment beginning on or after July 1, 1987, this deferment extends to other dependents.

elementary or secondary school that serves low-income students. In both these cases, your entire loan will have been cancelled after the fifth consecutive year of teaching. To find out whether the school you're teaching in is a designated school, contact the school that made you the loan.

Part of your loan will be cancelled for each year of full-time work in specified Head Start programs. After the seventh year, your entire loan will have been cancelled.

Up to 70 percent of your loan can be cancelled for service as a Peace Corps or VISTA volunteer—30 percent during the first two years; 40 percent during the next two years.†

If you serve as an enlisted person in certain selected specialties of the U.S. Army, the Army Reserves, or the Army National Guard, the Department of Defense will, as an enlistment incentive, ***repay*** a portion of your loan.

What are my rights as a borrower?

At or before the time your school gives you your first loan payment, your school must give you complete information about the loan, such as—

- The full amount of your loan, the interest rate, and when you must start repaying.
- A complete list of charges connected with making the loan, including whether those charges are deducted from the loan, or you must pay them separately.
- The yearly and total amounts you can borrow, and the maximum and minimum repayment periods.
- An updated statement of all the loans you owe to your school, an estimate of what your total debt will be, and what your monthly payments will be.
- An explanation of **default*** and its consequences.
- An explanation of refinancing and consolidation options (see page 41).

---

*See Glossary, pages 54 to 60.

† For **new borrowers*** only, and only for periods of enrollment beginning on or after July 1, 1987.

- A statement of deferment conditions and the conditions under which the Department of Defense will repay your loan.
- A reminder that you can repay the entire balance and interest at any time, without penalty.

Before your repayment period begins, your school must tell you—

- Where to send your payments, and where to write if you have any questions about your loan.
- What your total debt (principal and interest) will be, and what your interest rate is.
- When your first payment is due, and the number, frequency, and amount of all payments.
- What fees you may expect during the repayment period.
- About refinancing and consolidation options.
- About your option to prepay your loan at any time without penalty.

Your school must also give you a copy of your **promissory note.***

What are my responsibilities as a borrower?

You must repay the loan according to the repayment schedule. If you can't, notify your school immediately.

You must notify your school if you—

- Graduate or withdraw.
- Transfer to another school.
- Drop below **half-time*** status.
- Change your name, address, or Social Security Number.

You must notify your school of anything that affects your ability to repay the loan or your eligibility for deferment or cancellation.

Before you leave school, you must attend an **exit interview.***

---

*See Glossary, pages 54 to 60.

If you have any questions about the terms of your loan, repayment obligations, deferment, or cancellation, check with the school that made the loan to you. Remember, only that school can grant deferment or cancellation, or make decisions concerning your loan.

Guaranteed Student Loans

- ►Loan—must be repaid
- ►For undergraduate and graduate students
- ►GSL borrowers must be enrolled at least **half-time***
- ►GSL borrowers may need to show Pell Grant eligibility

What is a GSL?

A Guaranteed Student Loan (GSL) is a low-interest loan made to you by a lender such as a bank, credit union, or savings and loan association, to help you pay for your education after high school. These loans are insured by the **guarantee agency*** in your State (see the list beginning on page 42) and reinsured by the Federal Government.

For **new borrowers,*** the interest rate is 8 percent. For students who currently have a 7 or 9 percent GSL, the interest rate on additional GSL's will continue to be 7 or 9 percent.

How much can I borrow?

Depending on your need, you may borrow up to—

- $2,625 a year, if you're a first- or second-year undergraduate student.
- $4,000 a year, if you have completed 2 years of study and have achieved third-year status.
- $7,500 a year, if you're a graduate student.

The total GSL debt you can have outstanding as an undergraduate is $17,250. The total for graduate or professional study is $54,750,

*See Glossary, pages 54 to 60.

including any loans made at the undergraduate level.

You can't borrow more than the **cost of education*** at your school, minus any other financial aid you receive.

Your school's financial aid administrator will add your **Expected Family Contribution*** to your other financial aid. If your total financial aid is less than your school's **cost of education,*** you're considered to have need and are eligible for a GSL. (Note that, in some cases, the amount of your need may limit the size of your GSL.)

How do I apply?

If you're an undergraduate student attending a school participating in the Pell Grant Program, the school will have to determine whether you're eligible for a Pell Grant before you can receive a GSL.

You get a GSL application from a lender, a school, or your State **guarantee agency.*** After you fill out your part of the application, the school you plan to attend must complete the part that certifies your enrollment, your **cost of education,*** your academic standing, any other financial aid you will receive, and your financial need. You then take the application to a lender that participates in the GSL Program. If the lender agrees to make the loan and gets the approval of the **guarantee agency,*** the lender will send the loan amount to the school in one or more payments. (In general, for longer periods of enrollment, the loan will be divided into two or more installments.)

When should I apply?

You should begin looking for a lender as soon as you are accepted by your school. After you submit your application to a lender and the lender agrees to make the loan, it usually takes 4 to 6 weeks to get your loan approved by the **guarantee agency,*** so give yourself as much time as possible to complete the loan application process.

---

*See Glossary, pages 54 to 60.

When do I pay back my GSL?

Loan repayments begin 6 months after you graduate, leave school, or drop below **half-time*** status if your interest rate is 8 or 9 percent, and 9 to 12 months after you graduate, leave school, or drop below **half-time*** status if your interest rate is 7 percent. The lender generally must allow you at least 5 years to repay the loan and may allow up to 10 years.

When you leave school, graduate, or drop below **half-time*** status, you must notify your lender.

How much will I have to pay each month?

The amount of each payment depends upon the size of your debt. You should ask your lender what your monthly payments will be before you take out the loan.

The following examples show typical monthly payments and total interest charges for 8 percent loans of varying amounts, with typical repayment periods.

TYPICAL REPAYMENT PLANS

Total GSL Indebtedness	Number of Payments	Monthly Payment	Interest Charges	Total Repaid
$ 2,500	60	$ 50.70	$ 541.46	$ 3,041.46
5,000	60	101.39	1,082.92	6,082.92
10,000	120	121.33	4,559.31	14,559.31
12,500	120	151.67	5,699.14	18,199.14
25,000	120	303.33	11,398.28	36,398.28

Source: Massachusetts Higher Education Assistance Corporation, from **Everything You've Always Wanted To Know About Repaying Your GSL**, copyright 1985 MHEAC

What happens if I don't pay back my loan?

You may go into **default.*** If you do, the **guarantee agency*** or the Federal Government can sue you to collect the loan, and you may be required to repay the entire amount immediately. Credit bureaus will be notified of your **default,*** and this may affect your future credit rating. Also, the Internal Revenue Service may withhold your income tax refund and apply it toward your loan.

---

*See Glossary, pages 54 to 60.

Is there any charge for making a GSL?

Yes, you must pay an "origination fee" of 5 percent, which will be deducted proportionately from each loan payment. The money is passed on to the Federal Government to help reduce the Government's cost of subsidizing these low-interest loans.

The **guarantee agency*** in your State may also charge you an insurance premium of up to 3 percent of the loan principal. This premium must be deducted proportionately from each payment made to you.

Can I defer (postpone) repayment of my GSL?

Under certain conditions, yes. You may defer payments for up to 3 years while you are—

- A member of the U.S. Armed Forces or the Commissioned Corps of the U.S. Public Health Service.
- A Peace Corps volunteer, a volunteer in ACTION programs such as VISTA, or a full-time volunteer in service the Department of Education has determined is comparable to that of the Peace Corps or ACTION.
- An active duty member of the National Oceanic and Atmospheric Administration Corps.†
- A full-time teacher in a public or private elementary or secondary school in an area the Department of Education has determined to be a teacher shortage area.†
- Temporarily totally disabled, or if you can't work because a dependent of yours is temporarily totally disabled and you must care for him or her. (In either case, your doctor must certify that the disability is temporary and total.)††

You may defer repayment for up to 2 years while serving an eligible **internship.***

---

*See Glossary, pages 54 to 60.

†For **new borrowers*** only, and only for periods of enrollment beginning on or after July 1, 1987.

††If you are not a **new borrower,*** this deferment is limited to you and your spouse. For **new borrowers*** and only for periods of enrollment beginning on or after July 1, 1987, this deferment extends to other dependents.

You may defer repayment for periods of unemployment totalling up to 2 years, if during those periods you're actively looking for a full-time job.

You may defer repayment for periods of full-time study at an eligible school. You may also defer repayment for study in an approved graduate fellowship program, for study in an approved rehabilitation training program for the disabled, and for full-time study at a school operated by the Federal Government. (Most federally operated schools are associated with VA or Public Health Service hospitals, or with the Armed Forces.)

You may also defer repayment for periods of at least **half-time*** study, if you have borrowed a GSL or PLUS/SLS for that same enrollment period.†

If you're a mother of preschool age children, you may defer repayment for up to 12 months if you are going to work (or back to work) at a salary that is no more than $1.00 over the minimum wage.†

You may defer repayment for up to 6 months of **parental leave.***†

Deferments are not automatic; if you believe you're eligible for a deferment, contact your lender.

Note: If you are in* default,* *you are not eligible for a deferment.

Can my GSL be cancelled?

Only if you become totally and permanently disabled, or if you die. However, if you serve as an enlisted person in certain selected specialties of the U.S. Army, the Army Reserves, or the Army National Guard, the Department of Defense will, as an enlistment incentive, ***repay*** a portion of your GSL.

---

*See Glossary, pages 54 to 60.

† For **new borrowers*** only, and only for periods of enrollment beginning on or after July 1, 1987.

What are my rights as a GSL borrower?

You must be provided thorough and accurate written information, in plain English, about your loan obligation and about possibilities for loan consolidation (see page 41) at the time you receive your first loan payment. This information also must summarize your rights and responsibilities as a borrower, including the consequences of defaulting on a GSL.

You must be given a copy of the complete **promissory note,*** and the original note must be returned to you when the loan is paid in full.

Your loan check must be payable to you or to both you and your school.

Before repayment begins, you must be given detailed information from your lender about interest rates, fees, the balance owed on your loan, and options for loan consolidation. You must also be provided with a repayment schedule. You must pay at least $600 a year, unless your lender agrees to a lesser amount.

If the lender sells the loan or transfers the right to receive payments, you must be notified.

You have a right to Federal interest benefits. This means that the Federal Government will pay the interest on your loan until your repayment period begins and will also pay during authorized deferment periods.

You have a right to a "grace period" before your repayment period begins. The grace period starts when you leave school or drop below **half-time*** status, as defined by your school. The exact length of this period is shown on your **promissory note.***

You have a right to repay the whole loan or any portion of the loan at any time without penalty.

You have a right to deferment of repayment after the grace period, if you qualify. Under deferment, you're not required to make payments on the loan principal for a certain period of time. The conditions that qualify a borrower for a deferment are listed on pages 35 and 36 and are listed under DEFERMENT on your **promissory note.***

You may request forbearance if you're willing but unable to meet your repayment schedule and

---

*See Glossary, pages 54 to 60.

41

are not eligible for a deferment. Forbearance means permitting payments to be stopped temporarily, allowing an extension of time for making payments, or making smaller payments than were previously scheduled. Your lender does not have to grant forbearance.

What are my responsibilities as a GSL borrower?

You must find a lender willing to make the loan. Participation by lenders in the GSL Program is voluntary and varies from area to area.

You must arrange with your lender to pay the interest on your GSL if you don't qualify for, or if you voluntarily waive, Federal interest benefits.

You must notify your lender if, before the loan is repaid, you—

- Graduate, withdraw from school, or drop below **half-time*** status.
- Transfer to another school.
- Fail to enroll in the school for the period for which the loan was intended.
- Change your name or address.

Before you leave school, you must attend an **exit interview.***

You must repay the loan according to the repayment schedule your lender will give you.

You must notify your lender of anything that affects your eligibility for a deferment or your ability to repay the loan.

You can use the proceeds of your loan only for tuition and other reasonable educational expenses.

PLUS Loans and Supplemental Loans for Students (SLS)

What are PLUS and SLS loans?

PLUS loans are for parent borrowers; SLS's are

*See Glossary, pages 54 to 60.

for students. Both loans provide additional funds for educational expenses. The maximum interest rate for these loans is 12 percent, but interest rates may change, so check with your lender. Like GSL's, PLUS and SLS loans are made by a lender such as a bank, credit union, or savings and loan association.

Who can get a loan, and how much can they borrow?

- PLUS enables parents to borrow up to $4,000 per year, to a total of $20,000, for each child who is enrolled at least **half-time*** and is a **dependent*** student.
- Under SLS, graduate students and **independent*** undergraduates may borrow up to $4,000 per year, to a total of $20,000. This amount is in addition to the GSL limits.

How does a borrower apply?

The same way as for a GSL. Unlike GSL borrowers, however, PLUS/SLS borrowers do not have to show need, although they may have to undergo a credit analysis.

Is there any charge for making a PLUS loan or an SLS?

The **guarantee agency*** in your State may charge you an insurance premium of up to 3 percent of the loan principal. This premium must be deducted proportionately from each loan payment.

There is no origination fee for these loans.

What are the repayment and deferment conditions?

SLS borrowers get the same deferments as GSL borrowers (see pages 35 and 36). However, under SLS, the deferments apply only to principal. SLS borrowers must begin repaying interest within 60

*See Glossary, pages 54 to 60.

days, unless the lender agrees to let the interest accumulate until the deferment ends.

A PLUS borrower is eligible for deferment if he or she falls into one of the categories below—

- Full-time student.
- At least a **half-time*** student ***and*** has borrowed an SLS or GSL for that same period of study.†
- A student in an approved graduate fellowship program, or in an approved rehabilitation program for the disabled.†
- Temporarily totally disabled, or can't work because he or she is caring for a dependent who is temporarily totally disabled. (In either case, a doctor must certify that the disability is both temporary and total. This deferment has a 3-year limit.)†
- Unemployed and looking for a full-time job. (This deferment has a 2-year limit.)

PLUS borrowers, like SLS borrowers, must begin repaying interest within 60 days, unless the lender agrees to let it accrue while the principal is deferred.

I'm having trouble finding a lender. What should I do?

Contact your State **guarantee agency.*** It's the best source of information on the GSL/PLUS/SLS Program in your State. These agencies are listed on pages 42 to 51.

Banks and other lenders take part voluntarily in the Program and lend their own money. While the Department of Education encourages lenders to provide student loans, it can't dictate the policies of a lending institution, as long as those policies don't discriminate on the basis of the applicant's race, religion, national origin, sex, age, marital status, or handicap, or because the applicant is receiving public assistance, or because the applicant has exercised any rights under the Consumer Credit Protection Act.

---

*See Glossary, pages 54 to 60.

†For **new borrowers*** only, and only for periods of enrollment beginning on or after July 1, 1987.

What are the rights and responsibilities of a PLUS/SLS borrower?

Many of the rights and responsibilities of GSL borrowers also apply to PLUS/SLS borrowers. However, some of them are different. Make sure that you get a copy of your rights and responsibilities from your lender or school.

Consolidating Your Loans

I may have to take out more than one student loan to finance my education. Can I pay back these loans using one payment plan?

You may be able to. A loan consolidation program is available to students having loans totalling at least $5,000. In general, the student loans described in this booklet would be eligible for consolidation, as would loans made under the Health Professions Student Loan Program. Loan consolidation allows State guarantee agencies, the Student Loan Marketing Association (Sallie Mae), and other eligible lenders to pay off your existing student loans and to create one new loan. The interest rate on the consolidated loan would be 9 percent or more, depending on the interest rates of the loans consolidated. The repayment period would be from 10 to 25 years, depending on the amount to be repaid.

Lenders will also inform you of any refinancing options available to you when you take out a loan. To find out more, contact your lender.

State Educational Agencies (Sources of Information on Guaranteed Student Loans, PLUS/SLS Loans, and State Student Aid)

ALABAMA
Alabama Commission on Higher Education
1 Court Square, Suite 221
Montgomery, Alabama 36197-0001
GSL/PLUS/SLS and State Aid:
(205) 269-2700

ALASKA
Alaska Commission on Postsecondary Education
400 Willoughby Avenue
Box FP
Juneau, Alaska 99811
GSL/PLUS/SLS and State Aid:
(907) 465-2962

ARIZONA
GSL/PLUS/SLS: Arizona Educational Loan Program
2600 North Central Avenue Suite 621
Phoenix, Arizona 85004
(800) 352-3033 (AZ students only)
(602) 252-5793

State Aid:
Commission for Postsecondary Education
3030 North Central Avenue
Suite 1407
Phoenix, Arizona 85012
(602) 255-3109

ARKANSAS
GSL/PLUS/SLS: Student Loan Guarantee Foundation of Arkansas
219 So. Victory
Little Rock, Arkansas 72201
(501) 371-2634

State Aid: Department of Higher Education
1220 West 3rd Street
Little Rock, Arkansas 72201
(501) 371-1441

CALIFORNIA
California Student Aid Commission
1410 Fifth Street
Sacramento, California 95814
GSL/PLUS/SLS: (916) 323-0435
State Aid: (916) 445-0880

COLORADO
GSL/PLUS/SLS: Colorado Guaranteed Student Loan Program
11990 Grant, Suite 500
North Glenn, Colorado 80233
(303) 450-9333

State Aid: Colorado Commission on Higher Education
Colorado Heritage Center
1300 Broadway, 2nd Floor
Denver, Colorado 80203
(303) 866-2723

CONNECTICUT
GSL/PLUS/SLS: Connecticut Student Loan Foundation
25 Pratt Street
Hartford, Connecticut 06103
(203) 547-1510

State Aid: Connecticut Department of Higher Education
61 Woodland Street
Hartford, Connecticut 06105
(203) 566-2618

DELAWARE
Delaware Higher Education Loan Program
Carvel State Office Building
820 North French Street
4th Floor
Wilmington, Delaware 19801
GSL/PLUS/SLS: (302) 571-6055
State Aid: (302) 571-3240

DISTRICT OF COLUMBIA
GSL/PLUS/SLS: Higher Education Loan Program of Washington, D.C.
1030 15th St., N.W.
Suite 1000
Washington, D.C. 20005
(202) 289-4500

State Aid: Office of Postsecondary Education Research and Assistance
D.C. Department of Human Services
1331 H Street, N.W.
Suite 600
Washington, D.C. 20005
(202) 727-3688

FLORIDA
Office of Student Financial Assistance
Department of Education
Knott Building
Tallahassee, Florida 32399
GSL/PLUS/SLS: (904) 488-8093
State Aid: (904) 488-6181

GEORGIA
Georgia Student
Finance Commission
2082 East Exchange Place
Suite 200
Tucker, Georgia 30084
GSL/PLUS/SLS: (404)
493-5468
State Aid: (404) 493-5444

HAWAII
GSL/PLUS/SLS: Hawaii
Education
Loan Program
P.O. Box 22187
Honolulu, Hawaii
96822-0187
(808) 536-3731

State Aid: State
Postsecondary Education
Commission
209 Bachman Hall
University of Hawaii
2444 Dole Street
Honolulu, Hawaii 96822
(808) 948-8213

IDAHO
GSL/PLUS/SLS: Student
Loan Fund of Idaho, Inc.
Processing Center
P.O. Box 730
Fruitland, Idaho 83619
(208) 452-4058

State Aid: Office of State
Board of Education
650 West State Street
Room 307
Boise, Idaho 83720
(208) 334-2270

ILLINOIS
Illinois State Scholarship
Commission
106 Wilmot Road
Deerfield, Illinois 60015
GSL/PLUS/SLS: (312)
945-7040
State Aid: (312) 948-8550

INDIANA
State Student Assistance
Commission of Indiana
964 North Pennsylvania
Street
Indianapolis, Indiana
46204
GSL/PLUS/SLS: (317)
232-2366
State Aid: (317) 232-2351

IOWA
Iowa College Aid
Commission
201 Jewett Building
9th and Grand Avenue
Des Moines, Iowa 50309
GSL/PLUS/SLS: (515)
281-4890
State Aid: (515) 281-3501

KANSAS
GSL/PLUS/SLS: Higher
Education
Assistance Foundation
6800 College Blvd.
Suite 600
Overland Park, Kansas
66211-1532
(913) 345-1300

State: Aid: Kansas Board
of Regents
Suite 609, Capitol Tower
400 SW 8th
Topeka, Kansas 66603
(913) 296-3517

KENTUCKY
Education Assistance
Authority
1050 U.S. 127 South
West Frankfort Office
Complex
Frankfort, Kentucky
40601
GSL/PLUS/SLS and State
Aid:
(502) 564-7990

LOUISIANA
Governor's Special
Commission on Education
and Services
P.O. Box 44127
Capitol Station
Baton Rouge, Louisiana
70804
GSL/PLUS/SLS and State Aid:
(504) 342-9415

MAINE
Maine Department of
Educational and Cultural
Services
Division of Higher
Education Services
State House Station 119
Augusta, Maine 04333
GSL/PLUS/SLS and State Aid:
(207) 289-2183

MARYLAND
GSL/PLUS/SLS: Maryland
Higher
Education Loan
Corporation
2100 Guilford Avenue
Room 305
Baltimore, Maryland 21218
(301) 659-6555

State Aid: Maryland State
Scholarship Board
2100 Guilford Avenue
2nd Floor
Baltimore, Maryland 21218
(301) 659-6420

MASSACHUSETTS
GSL/PLUS/SLS:
Massachusetts
Higher Education
Assistance Corporation
Berkeley Place
330 Stuart Street
Boston, Massachusetts
02116
(617) 426-9796

State Aid: Massachusetts
Board of Regents of
Higher Education
Scholarship Office
330 Stuart Street
Boston, Massachusetts
02116
(617) 727-9420

MICHIGAN
GSL/PLUS/SLS: Michigan
Department of Education
Guaranteed Student Loan
Program
Box 30047
Lansing, Michigan 48909
(517) 373-0760

State Aid: Michigan
Department of Education
P.O. Box 30008
Lansing, Michigan 48909
(517) 373-3394

MINNESOTA
GSL/PLUS/SLS: Higher
Education
Assistance Foundation
85 East 7th Street
Suite 500
St. Paul, Minnesota 55101
(612) 227-7661

State Aid: Minnesota
Higher Education
Coordinating Board
Capitol Square, Suite 400
550 Cedar Street
St. Paul, Minnesota 55101
(612) 296-3974

MISSISSIPPI
GSL/PLUS/SLS:
Mississippi Guarantee
Student Loan Agency
3825 Ridgewood Road
P.O. Box 342
Jackson, Mississippi
39205-0342
(601) 982-6663

State Aid: Mississippi
Postsecondary Education
Financial Assistance Board
P.O. Box 2336
Jackson, Mississippi
39225-2336
(601) 982-6570

MISSOURI
Coordinating Board for
Higher Education
P.O. Box 1438
Jefferson City, Missouri
65102
GSL/PLUS/SLS and State Aid:
(314) 751-3940

MONTANA
Montana University System
33 South Last Chance Gulch
Helena, Montana 59620
GSL/PLUS/SLS: (406)
444-6594
State Aid: (406) 444-6570

NEBRASKA
GSL/PLUS/SLS: Higher
Education Assistance
Foundation
Cornhusker Bank Building
11th and Cornhusker
Highway
Suite 304
Lincoln, Nebraska 68521
(402) 476-9129

State Aid: Nebraska
Coordinating Commission
for Postsecondary
Education
P.O. Box 95005
Lincoln, Nebraska 68509
(402) 471-2847

NEVADA
GSL/PLUS/SLS: Nevada
State Department of
Education
400 West King Street/
Capitol Complex
Carson City, Nevada 89710
(702) 885-5914

State Aid: Financial Aid
Services
University of Nevada, Reno
Room 200 TSSC
Reno, Nevada 89557
(702) 784-4666

NEW HAMPSHIRE
GSL/PLUS/SLS:
New Hampshire
Higher Education
Assistance Foundation
P.O. Box 877
Concord, New Hampshire
03301
(603) 225-6612

State Aid: New Hampshire
Postsecondary Education
Commission
2½ Beacon Street
Concord, New Hampshire
03301
(603) 271-2555

NEW JERSEY
GSL/PLUS/SLS:
New Jersey Higher
Education Assistance
Authority
C. N. 543
Trenton, New Jersey 08625
(609) 588-3200

State Aid: Department of Higher Education
Office of Student Assistance
Plaza
C. N. 540
Trenton, New Jersey 08625
1-(800) 962-INFO (within NJ)
(609) 792-8670

NEW MEXICO
GSL/PLUS/SLS:
New Mexico Educational Assistance Foundation
P.O. Box 27020
Albuquerque, New Mexico 87125-7020
(505) 345-3371

State Aid: Commission on Higher Education
1068 Cerrillos Road
Santa Fe, New Mexico 87501-4295
(505) 827-8300

NEW YORK
New York State Higher Education Services Corporation
99 Washington Avenue
Albany, New York 12255
GSL/PLUS/SLS: (518) 473-1574
State Aid: (518) 474-5642

NORTH CAROLINA
North Carolina State Education Assistance Authority
P.O. Box 2688
Chapel Hill, North Carolina 27515-2688
GSL/PLUS/SLS and State Aid:
(919) 549-8614

NORTH DAKOTA
GSL/PLUS/SLS: Bank of North Dakota
Student Loan Department
Box No. 5509
Bismarck, North Dakota 58501-5509
(701) 224-5600

State Aid: North Dakota Student Financial Assistance Program
10th Floor, State Capitol
Bismarck, North Dakota 5805-0154
(701) 224-4114

OHIO
GSL/PLUS/SLS: Ohio Student Loan Commission
P.O. Box 16610
Columbus, Ohio 43266-0610
(614) 466-3091

State Aid: Ohio Board of Regents
Student Assistance Office
3600 State Office Tower
30 East Broad Street
Columbus, Ohio 43216
(614) 466-7420

OKLAHOMA
Oklahoma State Regents for Higher Education
500 Education Building
State Capitol Complex
Oklahoma City, Oklahoma 73105
GSL/PLUS/SLS: (405) 521-8262
State Aid: (405) 525-8180

OREGON
Oregon State
Scholarship Commission
1445 Willamette Street
No. 9
Eugene, Oregon 97401
1-(800) 452-8807
(within OR)
GSL/PLUS/SLS: (503)
686-3200
State Aid: (503) 686-4166

PENNSYLVANIA
Pennsylvania Higher
Education Assistance
Agency
660 Boas Street
Harrisburg, Pennsylvania
17102
GSL/PLUS/SLS:
1-(800) 692-7392
State Aid:
1-(800) 692-7435

RHODE ISLAND
Rhode Island Higher
Education Assistance
Authority
560 Jefferson Boulevard
Warwick, Rhode Island
02886
GSL/PLUS/SLS and State Aid:
(401) 277-2050

SOUTH CAROLINA
GSL/PLUS/SLS: South
Carolina
Student Loan
Corporation
Interstate Center, Suite 210
P.O. Box 21487
Columbia, South Carolina
29221
(803) 798-0916

State Aid: Higher Education Tuition Grants
Agency
411 Keenan Building
Box 11638
Columbia, South Carolina
29211
(803) 734-1200

SOUTH DAKOTA
GSL/PLUS/SLS: Education
Assistance Corporation
115 First Avenue, S.W.
Aberdeen, South Dakota
57401
(605) 225-6423

State Aid: Department of
Education and Cultural
Affairs
Richard F. Kneip Building
700 Governors Drive
Pierre, South Dakota
57501-2293
(605) 773-3134

TENNESSEE
Tennessee Student
Assistance Corporation
B-3 Capitol Towers
Suite 9
Nashville, Tennessee
37219-5097
GSL/PLUS/SLS and State Aid:
1-(800) 342-1663 (within
TN)
(615) 741-1346

TEXAS
GSL/PLUS/SLS: Texas Guaranteed Student Loan Corporation
P.O. Box 15996
Austin, Texas 78761
(512) 835-1900

State Aid: Coordinating Board, Texas College and University System
P.O. Box 12788, Capitol Station
Austin, Texas 78711
(512) 462-6400

UTAH
GSL/PLUS/SLS: Loan Servicing Corp. of Utah
P.O. Box 30802
Salt Lake City, Utah
84130-0802
(801) 363-9151

State Aid: Utah State Board of Regents
3 Triad Center,
Suite 550
355 West North Temple
Salt Lake City, Utah
84180-1205
(801) 538-5247

VERMONT
Vermont Student Assistance Corporation
Champlain Mill
P.O. Box 2000
Winooski, Vermont
05404-2000
GSL/PLUS/SLS and State Aid:
1-(800) 642-3177 (within VT)
(802) 655-9602

VIRGINIA
GSL/PLUS/SLS: State Education Assistance Authority
6 North Sixth Street
Suite 300
Richmond, Virginia 23219
(804) 786-2035

State Aid: State Council of Higher Education for Virginia
James Monroe Building
101 N. 14th Street
Richmond, Virginia 23219
(804) 225-2141

WASHINGTON
GSL/PLUS/SLS:
Washington Student Loan Guaranty Association
500 Colman Building
811 First Avenue
Seattle, Washington, 98104
(206) 625-1030

State Aid: Higher Education Coordinating Board
908 East Fifth Avenue
Olympia, Washington 98504
Attn: Financial Aid Office
(206) 753-3571

WEST VIRGINIA
GSL/PLUS/SLS: Higher Education Assistance Foundation
Higher Education Loan Program of West Virginia, Inc.
P.O. Box 591
Charleston, West Virginia 25322
(304) 345-7211

State Aid: West Virginia Board of Regents
P.O. Box 4007
Charleston, West Virginia 25364
(304) 347-1211

WISCONSIN
GSL/PLUS/SLS: Wisconsin Higher Education Corporation
2401 International Lane
Madison, Wisconsin 53704
(608) 246-1800

State Aid: Wisconsin Higher Educational Aids Board
P.O. Box 7885
Madison, Wisconsin 53707
(608) 267-2206

WYOMING
GSL/PLUS/SLS: Higher Education Assistance Foundation
American National Bank Building
20th Street at Capitol
Suite 320
Cheyenne, Wyoming 82001
(307) 635-3259

State Aid: Wyoming Community College Commission
2301 Central Avenue
Barrett Building, 3rd Floor
Cheyenne, Wyoming 82002
(307) 777-7763

AMERICAN SAMOA
GSL/PLUS/SLS: Pacific Islands Educational Loan Program
United Student Aid Funds, Inc.
1314 South King Street
Suite 962
Honolulu, Hawaii 96814
(808) 536-3731

State Aid: American Samoa Community College
P.O. Box 2609
Pago Pago,
American Samoa 96799
(684) 699-9155

NORTHERN MARIANA ISLANDS
GSL/PLUS/SLS: See American Samoa

State Aid: Northern Marianas College Board of Regents
P.O. Box 1250
Saipan, CM 96950
(Saipan) 670-7542

State Aid: Council on Higher Education
Box F-UPR Station
San Juan, Puerto Rico 00931
(809) 751-5082/1136

FEDERATED STATES OF MICRONESIA
MARSHALL ISLANDS
REPUBLIC OF PALAU

GSL/PLUS/SLS: See American Samoa

State Aid: Community College of Micronesia
P.O. Box 159
Kolonia, Ponape, F.S.M. 96941
(Ponape) 480 or 479

Micronesian Occupational College
P.O. Box 9
Koror, Palau 96940
471

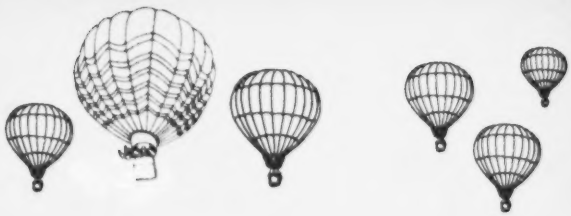
VIRGIN ISLANDS
Board of Education
P.O. Box 11900
St. Thomas, Virgin Islands 00801
GSL/PLUS/SLS and **State Aid:**
(809) 774-4546

USAF, INC.
United Student Aid Funds
Processing Center
P.O. Box 50827
Indianapolis, Indiana 46250
(800) 382-4506 (within IN)
(800) 824-7044

GUAM
GSL/PLUS/SLS: See American Samoa

State Aid: University of Guam
UOG Station
Mangilao, Guam 96913
(671) 734-2921

PUERTO RICO
GSL/PLUS/SLS: Higher Education Assistance Corporation
P.O. Box 42001
Minillas Station
San Juan, Puerto Rico 00940-2001
(809) 723-6000



U.S. Department of Education Regional Offices

Region I

Connecticut
Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

U.S. Department of Education
Office of Student Financial Assistance
J. W. McCormack Post Office and
Courthouse Building, 5 Post
Office Square, Room 510
Boston, Massachusetts 02109
(617) 223-9338

Region II

New Jersey
New York
Puerto Rico
Virgin Islands
Panama Canal
Zone

U.S. Department of Education
Office of Student Financial Assistance
26 Federal Plaza, Room 3954
New York, New York 10278
(212) 264-4426

Region III

Delaware
District of
Columbia
Maryland
Pennsylvania
Virginia
West Virginia

U.S. Department of Education
Office of Student Financial Assistance
P.O. Box 13716 (3535 Market Street)
Philadelphia, Pennsylvania 19104
(215) 596-0247

Region IV

Alabama
Florida
Georgia
Kentucky
Mississippi
North Carolina
South Carolina
Tennessee

U.S. Department of Education
Office of Student Financial Assistance
101 Marietta Tower, Suite 423
Atlanta, Georgia 30323
(404) 331-4171

Region V

Illinois
Indiana
Michigan
Minnesota
Ohio
Wisconsin

U.S. Department of Education
Office of Student Financial Assistance
300 South Wacker Drive, 12th Floor
Chicago, Illinois 60606
(312) 353-8103

Region VI

Arkansas
Louisiana
New Mexico
Oklahoma
Texas

U.S. Department of Education
Office of Student Financial Assistance
1200 Main Tower, Room 2150
Dallas, Texas 75202
(214) 767-3811

Region VII

Iowa
Kansas
Missouri
Nebraska

U.S. Department of Education
Office of Student Financial Assistance
10220 Executive Hills Blvd.,
7th Floor
Kansas City, Missouri 64153
(816) 891-7961

Region VIII

Colorado
Montana
North Dakota
South Dakota
Utah
Wyoming

U.S. Department of Education
Office of Student Financial Assistance
1961 Stout Street, Third Floor
Denver, Colorado 80294
(303) 844-3676

Region IX

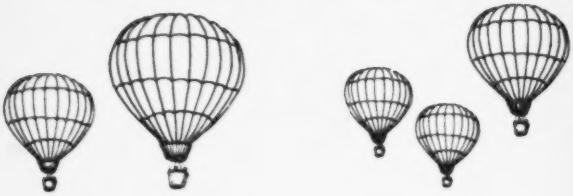
Arizona
California
Hawaii
Nevada
American Samoa
Guam
Federated States of Micronesia
Marshall Islands
Republic of Palau
Wake Island

U.S. Department of Education
Office of Student Financial Assistance
50 United Nations Plaza
San Francisco, California 94102
(415) 556-0137

Region X

Alaska
Idaho
Oregon
Washington

U.S. Department of Education
Office of Student Financial Assistance
3rd and Broad Building, Mail Stop 102
2901 Third Avenue
Seattle, Washington 98121
(206) 442-4027



Glossary

Assets: Savings and checking accounts, home or business value, stocks, bonds, real estate, trust funds, etc. Cars are not considered assets, nor are possessions such as stamp collections or musical instruments.

Campus-Based Programs: Supplemental Educational Opportunity Grants (SEOG's), College Work-Study (CWS), and Perkins Loans. These Federal programs are called "campus-based" because they're administered by the financial aid administrator at the school. Your **financial aid package*** may contain aid from one or more of these programs.

Citizen/Eligible Non-Citizen: You must be one of the following to receive Federal student aid:

- U.S. citizen
- U.S. national
- U.S. permanent resident who has an I-151 or I-551 (Alien Registration Receipt Card)

If you are not in one of these categories, you must have a Departure Record (I-94) from the U.S. Immigration and Naturalization Service (INS) showing one of the following designations:

- "Refugee"
- "Asylum Granted"
- "Indefinite Parole" and/or "Humanitarian Parole"
- "Cuban-Haitian Entrant, Status Pending"
- "Conditional Entrant" (valid only if issued before April 1, 1980)

Also, you're eligible for Federal student aid if you have a suspension of deportation case pending before Congress.

If you're in the U.S. on an F1 or F2 student visa only, or on a J1 or J2 exchange visitor visa only, you cannot get Federal student aid.

NOTE: Only citizens and noncitizen nationals can receive a GSL or PLUS/SLS for study at a foreign institution.

Cost of Education (or **Cost of Attendance**): The total amount it will cost a student to go to school. It is usually expressed as a yearly figure. For Pell Grants, the cost of education is limited to tuition and fees; on-campus room and board (or a housing and food allowance for off-campus students); and allowances for books, supplies, and miscellaneous expenses. The **campus-based*** and GSL/PLUS/SLS programs are more flexible and may include other expenses such as travel, child care, and costs related to a handicap. Talk to the financial aid administrator at the school you're planning to attend if you have any unusual expenses that may affect your cost of education or your ability to pay that cost.

Default: Failure to repay a student loan according to the terms agreed to when you signed a **promissory note.*** If you default on a student loan, your school, lender, State, and the Federal Government all can take action to recover the money. Default may affect your future credit rating, and you won't be able to receive additional Federal aid if you decide to return to school. Also, you may be liable for expenses incurred in collecting the loan. Finally, the Internal Revenue Service may withhold your income tax refund so that your loan will be repaid.

Dependent Student: One who must report not only his or her own (and a spouse's) income information, but also that of his or her parents, when applying for Federal student aid. A dependent student is one who does not fall into one of the categories given under the definition of **Independent Student*** in this Glossary.

Eligible Program: A program of study that leads to a degree, certificate, or other recognized educational credential at an institution of higher education that participates in U.S. Department of Education student financial aid programs.

Exit Interview: A counseling session you must attend before you leave your school, if you have any of the loans described in this booklet. At this session, your school will give you information on the average amount borrowers owe, the amount of your monthly repayment, and information about loan consolidation options.

Expected Family Contribution (EFC)/Family Contribution (FC): This figure is determined by a formula and indicates how much of your family's financial resources should be available to help pay for school. This figure is important because your financial aid administrator will subtract it from your **cost of education*** to find out how much you ***can't*** pay. To determine this amount, the information you fill in on an aid application is evaluated. Factors such as your (and your family's) taxable and non-taxable income, as well as **assets*** such as savings or the net worth of a home, are considered in determining your family's financial strength. Certain allowances are subtracted from both income and **assets*** to protect part of them for future needs. A portion of the remaining amount is considered available to help pay for postsecondary educational costs.

If you have any unusual expenses that may affect your expected family contribution, make sure that you notify your financial aid administrator.

Financial Aid Package: The total amount of financial aid a student receives. Federal and non-Federal aid such as loans, grants, or work-study are combined in a "package" to help meet the student's need. Using available resources to give each student the best possible package of aid is one of the major responsibilities of a school's financial aid administrator.

Financial Aid Transcript: A record of the Department of Education student aid you've received. If you've received Federal student aid and you transfer, you must request that your old school(s) send your financial aid transcript to the school you'll be attending. If your new school doesn't receive a financial aid transcript from the old one(s), you won't receive aid from Department of Education programs.

Guarantee Agency: The organization that administers the GSL and PLUS/SLS programs in your State. The Federal Government sets loan limits and interest rates, but each State is free to set its own additional limitations, within Federal guidelines. This agency is the best source of information on GSL's and PLUS/SLS loans in your State.

Half-Time: You must be attending school at least half-time to be eligible to receive a Pell Grant, a GSL, or a PLUS/SLS. Half-time enrollment is not a requirement to receive aid from the **campus-based*** programs.

At schools measuring progress by credit hours and academic terms (semesters, trimesters, or quarters), "half-time" means at least 6 semester hours or quarter hours per term. At schools measuring progress by credit hours but not using academic terms, "half-time" means at least 12 semester hours or 18 quarter hours per year. At schools measuring progress by clock hours, "half-time" means at least 12 hours per week. Note that schools may choose to set higher minimums than these. Also, GSL requirements may be slightly different.

Independent Student: One who reports only his or her own income information (and that of a spouse, if the student is married) when applying for Federal student aid.

You're automatically considered independent if you're **24** or older as of December 31, 1987. If you're under 24, you're considered independent if you fall into one of the categories on the next page—

- single undergraduate student with no dependents who was not claimed as a dependent on your parents' (or guardian's) **1985** ***and*** **1986** U.S. Income Tax returns. Also, you must demonstrate that you are self-sufficient by having income of at least $4,000 annually in 1985 ***and*** in 1986.
- graduate or professional student who will not be claimed as a dependent on your parents' (or guardian's) **1987** U.S. Income Tax return.
- married and will not be claimed as a dependent on your parents' (or guardian's) **1987** U.S. Income Tax return.

NOTE: If you claim to be in one of the three categories above, you will have to submit proof before you can receive Federal student aid.

- student with legal dependents ***other than*** a spouse.
- veteran of the U.S. Armed Forces.
- orphan or ward of the court.
- classified by your financial aid administrator as independent because of other unusual circumstances.

NOTE: If your dependency status changes ***at any time*** during the award year, you ***must*** notify your financial aid administrator immediately.

Internship: A period of supervised practical training required to begin professional practice. If you're enrolled in an internship program, and the internship requires all students to have at least a bachelor's degree before they're admitted (medical residency, for example), you may defer repayment of your Guaranteed Student Loan (GSL), SLS, or Perkins Loan for up to 2 years.

New Borrower: One who does not have outstanding any of the loans described in this booklet. A new borrower can either be someone who has never had a student loan, or someone who has had one and repaid it completely.

Parental Leave: A period of up to 6 months during which loan payments can be deferred if a borrower is pregnant, or if he or she is taking care of a newborn or newly adopted child. The borrower must be unemployed and not attending school. To get parental leave, you must apply within 6 months after you leave school or drop below **half-time*** status.

Promissory Note: The legal document you sign when you get a student loan. It lists the conditions under which you are borrowing and the terms under which you agree to pay back the loan.

Satisfactory Progress: To be eligible to receive Federal student aid, you must be maintaining satisfactory academic progress. If you receive Federal student aid for the ***first time*** in the 1987-88 award year (July 1, 1987-June 30, 1988), the following definition of satisfactory progress applies to you: You must be maintaining a "C" average by the time you are halfway through your course of study, or have an academic standing consistent with your institution's graduation requirements. You must continue to maintain satisfactory progress for the rest of your course of study.

If you've received Federal student aid in a previous award year, you must meet your school's written standard of satisfactory progress. Check with your school to find out what that standard is.

Statement of Educational Purpose: You must sign this statement in order to receive Federal student aid. By signing it, you agree to use your student aid only for education-related expenses. Part 1 of the 1987-88 Student Aid Report (SAR) contains such a statement. You must sign either this one or a similar one prepared by your school.

Statement of Registration Status: If you are required to register with the Selective Service, you must sign a statement indicating you have done so before you can receive any Federal student aid. This requirement applies to males who were born on or after January 1, 1960, are at least 18, are

citizens* or **eligible non-citizens,*** and are not currently on active duty in the Armed Forces.

Part 1 of the 1987-88 Student Aid Report contains a statement of registration status. You must sign either that one or a similar one prepared by your school. (Some schools require all students to sign a statement, indicating either that the student has registered or is not required to do so.)

NOTE: If you already have a statement on file with your school, you do not have to sign another one, unless your registration status has changed.

Statement of Updated Information: You must sign a statement certifying that the following Student Aid Report (SAR) items are still correct at the time you submit your SAR to your school: your status as a **dependent*/independent*** student, the number of your family members, and the number of those members enrolled in postsecondary education at least **half-time.*** If information for any of those items changes after you submit your application, you must update the information so that it is correct as of the date you sign your SAR. Otherwise, you will not be able to receive Federal student aid. The only exception to the requirement to update is when changes occur because your marital status changes. In that case, you may **not** update.

GET OUT OF THE DARK.

Open your eyes and see just how many subjects are covered in the new edition of the Consumer Information Catalog. It's free just for the asking and so are nearly half of the 200 federal publications described inside. Booklets on subjects like financial and career planning; eating right, exercising, and staying healthy; housing and child care; federal benefit programs. Just about everything you would need to know. Write today. We'll send you the latest edition of the Consumer Information Catalog, which is updated and published quarterly. It'll be a great help, you'll see. Just write:

Consumer Information Center
Department TD
Pueblo, Colorado 81009